

FISCAL NOTE

Bill #: SB0436

Title: Modify prohibition on silver or gold mining using cyanide-based ore processing

Primary Sponsor: Shea, D

Status: As Introduced

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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Fiscal Summary

	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
Expenditures:	\$0	\$0
Revenue:	\$0	\$0
Net Impact on General Fund Balance:	\$0	\$0

- | | |
|---|---|
| <input type="checkbox"/> Significant Local Gov. Impact | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input checked="" type="checkbox"/> Significant Long-Term Impacts |
| <input type="checkbox"/> Dedicated Revenue Form Attached | <input type="checkbox"/> Needs to be included in HB 2 |

Fiscal Analysis

ASSUMPTIONS:

Department of Environmental Quality

1. If the initiative fails, there will be no fiscal impact.
2. The remainder of the assumptions in this fiscal note assumes passage of the initiative in November 2004.
3. There will be no impact until after December 1, 2004, when the initiative takes effect.
4. The price of gold will be at economically attractive levels.
5. Mining companies and individuals will regard Montana as a favorable place for mining exploration and development.
6. Current staffing levels would not be adequate to handle the potential increase in workload. However, because the initiative would not go into effect until December 1, 2004, impacts to the program would be absorbed for the remainder of FY 2005.
7. Two projects are assumed to begin the MEPA process in the last half of FY 2005. The department currently has a vacant FTE funded through MEPA project funds, and also has adequate spending authority to cover the needs of these projects through MEPA fees for the 2005 biennium.

FISCAL IMPACT:

This bill will have no fiscal impact for the 2005 biennium.

Fiscal Note Request SB0436, As Introduced
(continued)

LONG-RANGE IMPACTS:

Department of Environmental Quality

1. Future projects that might be impacted by this bill are expected to be identified and initiate the MEPA process during or after FY 2005. The impact on mining exploration and development is impossible to determine because the feasibility of any particular project depends on many issues besides whether cyanide heap leach pads can be used. However, if the assumptions in this fiscal note hold true, an increased workload in exploration, MEPA, and permitting could be expected in the 2007 biennium.

Department of Natural Resources and Conservation

2. Certain state school trust lands may be amenable to commercial open-pit, cyanide heap or vat leach mining technology, which could yield significant additional rental and royalty revenue to the respective trust beneficiaries.